

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** December 26, 2002, at
4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF KIRKLAND & ELLIS FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE FIRST MONTHLY
INTERIM PERIOD, FROM OCTOBER 1, 2002, THROUGH OCTOBER 31, 2002,
FOR THE QUARTER OF OCTOBER – DECEMBER, 2002**

Name of Applicant: Kirkland & Ellis

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in-Possession

Date of Retention: Retention Order entered May 3, 2001,
effective as of April 2, 2001.

Period for which compensation and reimbursement
is sought: October 1, 2002, through October 31,
2002

Amount of Compensation sought as actual,
reasonable and necessary: \$207,778.00

Amount of Expense Reimbursement sought as actual, \$7,769.74
reasonable and necessary:

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This is a X monthly ___ interim ___ final application.

The total time expended for the preparation of this application is approximately 45 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$14,000.00.

This is the first monthly application for interim compensation of services for the October - December 2002 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
July 31, 2001	April - June, 2001	\$1,753,799.50	\$155,393.83	pending	pending
August 28, 2001	7/1-7/31/01	\$476,582.50	\$25,312.13	pending	pending
September 28, 2001	8/1-8/31/01	\$472,334.50	\$29,022.59	pending	pending
October 30, 2001	9/1-9/30/01	\$443,617.50	\$27,147.47	pending	pending
November 7, 2001	July - September, 2001	\$1,392,534.50	\$81,482.19	pending	pending
December 11, 2001	10/1-10/31/01	\$493,074.00	\$27,724.54	pending	pending
December 29, 2001	11/1-11/30/01	\$524,980.00	\$29,678.21	pending	pending
January 31, 2002	12/1-12/31/01	\$405,278.50	\$27,276.95	pending	pending
February 7, 2002	October-December, 2001	\$1,423,332.50	\$84,679.70	pending	pending
March 4, 2002	1/1-1/31/02	\$439,056.00	\$32,279.54	Interim approval ²	Interim approval
March 27, 2002	2/1-2/28/02	\$412,304.00	\$18,475.64	Interim approval	Interim approval
May 2, 2002	3/1-3/31/02	\$430,342.50	\$51,759.20	Interim approval	Interim approval
June 10, 2002	January-March, 2002	\$1,281,702.50	\$102,514.38	\$1,281,702.50	\$101,656.38
June 10, 2002	4/1-4/30/02	\$410,702.50	\$25,286.05	pending	pending
July 2, 2002	5/1-5/31/02	\$335,280.50	\$25,556.83	pending	pending
August 8, 2002	6/1-6/30/02	\$243,127.00	\$16,326.36	pending	pending
September 3, 2002	April-June, 2002	\$989,110.00	\$67,169.24	pending	pending
September 11, 2002	7/1-7/31/02	\$335,129.00	\$28,504.48	pending	pending
October 2, 2002	8/1-8/31/02	\$344,619.00	\$86,047.20	pending	pending
October 30, 2002	9/1-9/30/02	\$238,876.50	\$20,882.49	pending	pending
November 27, 2002	July-September, 2002	\$918,624.50	\$135,434.17	pending	pending

² The fees and expenses requested in the January-March, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on October 9, 2002.

K&E has filed certificates of no objection with respect to the interim monthly Applications for April 2001 through September 2002, respectively, because no objections were filed within the respective objection periods. The Quarterly Applications for the interim periods from (i) April 2, 2001, through June 31, 2001, (ii) July 1, 2001, through September 30, 2001, (iii) October 1, 2001, through December 31, 2001, and (iv) April 1, 2002 through June 30, 2002, have been scheduled for hearing on November 25, 2002. The Quarterly Applications for the interim period from January 1, 2002 through March 31, 2002, was heard on August 26, 2002, and an order was entered on October 9, 2002, granting interim compensation and reimbursement of expenses requested in the fourth Quarterly Application. The Quarterly Application for the interim period July 1, 2002, through September 30, 2002, is scheduled for hearing on March 18, 2003.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Janet S. Baer	Of Counsel	20 Years	Bankruptcy	\$580.00	66.10	\$38,338.00
James W. Kapp	Partner	8 Years	Bankruptcy	\$470.00	55.30	\$25,991.00
Roger J. Higgins	Associate	6 Years	Bankruptcy	\$390.00	115.90	\$45,201.00
Christian J. Lane	Associate	5 Years	Bankruptcy	\$410.00	75.10	\$30,791.00
Sven T. Nylen	Associate	1 Year	Bankruptcy	\$255.00	28.40	\$7,242.00
Mark E. Grummer	Partner	26 Years	Environmental	\$420.00	2.90	\$1,218.00
Todd F. Maynes	Partner	15 Years	Taxation	\$600.00	11.30	\$6,780.00
Andrew R. Running	Partner	20 Years	Litigation	\$480.00	14.30	\$6,864.00
Pratibha J. Shenoy	Associate	2 Years	Taxation	\$280.00	38.70	\$10,836.00
Christopher B. Sullivan	Partner	7 Years	Litigation	\$390.00	19.00	\$7,410.00

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Rhonda A. Bledsoe	Legal Assistant	11 Years	Bankruptcy	\$200.00	36.00	\$7,200.00
Toni L. Wallace	Legal Assistant	2 Years	Bankruptcy	\$145.00	11.30	\$1,638.50
Aletheia V. Anderson	Project Assistant	1 Year	Bankruptcy	\$95.00	42.30	\$4,018.50
Miriam Geraghty	Project Assistant	4 Months	Bankruptcy	\$85.00	15.60	\$1,326.00
Stephanie R. Cashman	Project Assistant	17 Years	Litigation	\$90.00	33.00	\$2,970.00
Shirley A. Pope	Legal Assistant	6 Months	Litigation	\$180.00	55.30	\$9,954.00

Grand Total for Fees: \$207,778.00

Blended Rate: \$334.86

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
16	Asset Analysis and Recovery	13.90	\$5,069.00
17	Relief from Stay	28.80	\$11,937.50
19	Claims (Non-Asbestos)	13.00	\$3,185.00
20	Case Administration	159.60	\$25,637.00
21	Claims (Asbestos)	5.50	\$2,625.00
23	Business Operations	13.80	\$6,654.00
26	Financing	6.50	\$2,853.00
27	Employee Benefits/Pension	7.50	\$3,816.00
28	Litigation and Litigation Consulting	105.00	\$44,859.00
30	Hearings	5.90	\$2,933.00
31	Asset Disposition	14.80	\$6,458.00
32	Fee Applications, Applicant	49.70	\$15,779.50
35	Fee Applications Others	7.50	\$2,864.00
38	Employment Applications, Others	19.70	\$4,863.00
41	Tax Issues	42.00	\$15,341.00
42	Travel non-working	10.80	\$5,784.00
46	Tax Litigation	95.90	\$39,182.00
51	ZAI Science Trial	20.60	\$7,938.00
	Total	620.50	\$207,778.00

Expense Summary

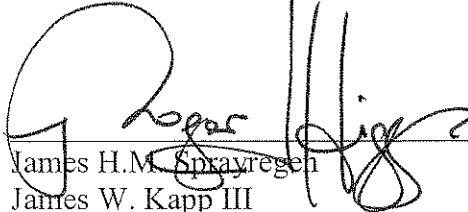
Description	Amount
Telephone	\$120.97
Fax Telephone Charge	\$9.99
Fax Charge	\$367.50
Standard Copies	\$413.40
Binding	\$5.25
Tabs/Indexes/Dividers	\$3.80
Scanned Images	\$10.95
Overnight Delivery	\$17.48
Outside Messenger Services	\$37.70
Travel Expense	\$640.16
Airfare	\$2,379.66
Transportation to/from airport	\$254.69
Travel Meals	\$168.49
Working Meals/K&E Only	\$80.88
Working Meals/K&E and Others	\$73.00
Information Broker Doc/Svcs	\$30.00
Computer Database Research	\$2,586.48
Overtime Transportation	\$109.50
Overtime Meals	\$12.00
Secretarial Overtime	<u>\$447.84</u>
Total	\$7,769.74

WHEREFORE, K&E respectfully requests (a) that an allowance be made to it, as fully described above for the (i) 80% of the amount of \$207,778.00 for reasonable and necessary professional services K&E has rendered to the Debtors during the Fee Period (\$166,222.40) and (ii) 100% of the reimbursement of actual and necessary costs and expenses incurred by K&E during the Fee Period (\$7,769.74); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware
Dated: December 3, 2002

Respectfully submitted,

KIRKLAND & ELLIS

A handwritten signature in black ink, appearing to read "Roger Higgins", is written over a horizontal line. The signature is stylized with a large initial 'R' and a long, sweeping tail.

James H.M. Sprayregen
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Roger J. Higgins
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